

UK Payroll Test



Level 1 – Clerical/Payroll Assistant

The candidate will need a calculator, Tables A 1993 version, 2015/16 NICs table CA38 for table letter A and manual tax tables 2015/16

1. What is the current emergency tax code when used on a cumulative basis?
 - A 1100L
 - B 1060L/1
 - C 1000L
 - D BR

 2. What form is used to notify HMRC of a new starter who does not present a P45?
 - A P38(S)
 - B P14
 - C P11
 - D P46/starter checklist

 3. If an employee has not supplied a P45 or P46/starter checklist and you're about to pay them for the first time what action do you take?
 - A Tick box C on the P46/starter checklist and allocate code OT/1 in the 'tax code used' field. Set them up on the payroll with a OT/1 tax code, deduct NICs if appropriate, and include them in the FPS as soon as you pay them for the first time
 - B return it to them for completion
 - C Set them up on the payroll with the emergency tax code on a cumulative basis, deduct NICs if appropriate and include them on the FPS as soon as pay them for the first time
 - D Set them up on the payroll with tax code BR, deduct NICs deduct NICs if appropriate and include them on the FPS as soon as pay them for the first time

 4. What is a K code?
 - A It indicates what rate of NICs deductions are payable
 - B It indicates an amount of pay to be added to gross pay
 - C It indicates an amount of pay to be deducted from gross pay
 - D It is a student tax code

 5. What is the regulatory limit that applies to all tax codes?
 - A 45%
 - B 20%
 - C 40%
 - D 50%
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6. An employee joins you aged 19 and who is not in a pension scheme, what NICs table letter applies?

- A A
- B M
- C X
- D B

7. A female employee aged 67 falls sick, she has average earnings of £115 p.w. Can she qualify for SSP?

- A Yes as long as a PIW is formed and she meets the qualifying conditions
- B No her earnings are too low
- C No women are excluded from SSP when aged 60 or over
- D No women are excluded from SSP when aged 65 or over

Background to incorrect answers: B = the Lower Earnings Limit is £112 for 2015/16, C and D = the age exclusion at age 65 was removed from 1st October 2006

8. What is the National Living Wage for those aged 25 or over from April 2016?

- A £6.70
- B £7.20
- C £6.30
- D £7.50

9. When an employee reaches state pension age what action do you take?

- A Stop deducting tax
- B Stop deducting employer's NI
- C Stop deducting tax and NI
- D Stop deducting employee's NI

Background to incorrect answers: A – C = all these would be a failure to operate PAYE/NICs correctly as employers' NI and tax is still due

10. What does the acronym PIW stand for?

- A Person Incapable of Work
- B Period of Incapacity for Work
- C Period of Illness for Work
- D Payment for Incapacity at Work

11. What is the recovery rate for SSP?

- A 100%
 - B 90%
 - C 92%
 - D Nil
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Background to incorrect answers: A – C = you haven't been able to recover SSP since at all since April 2014

12. What is the current weekly rate of SMP?

- A £124.88
- B £128.73
- C £139.58
- D £138.18

13. If you are operating a council tax AEO and your employee goes on maternity leave can you deduct the court order from her SMP?

- A No
- B Yes

- C Yes but only from the earnings related rate paid in the first six weeks
- D Yes but only if the deduction wouldn't reduce the SMP to zero

14. What is the number of days of UK statutory holiday payable to a full time employee for a full qualifying year?

- A 20
- B 24
- C 26
- D 28

Background to incorrect answers: A = this is the EU statutory holiday amount, B = this was the figure from October 2007 – 31st March 2009

15. Which of the following are true in respect of ShPP (tick all that apply)?

- A It is paid for six weeks at higher rate and 33 weeks at standard rate
 - B It is paid for a maximum of 37 weeks at standard rate
 - C It can be taken in a minimum of one week blocks
 - D It must be complete by the child's first birthday/the first anniversary of the adoption
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